

The Church of Jesus Christ of Latter-day Saints (Welfare) Limited
(A limited company and registered charity)

Annual Report and Financial Statements

Year ended 31 December 2007

Company number: 1332670

Charity number 274605



The Church of Jesus Christ of Latter-day Saints (Welfare) Limited

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The Church of Jesus Christ of Latter-day Saints (Welfare) Limited

Report of the trustees for the year ended 31 December 2007

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31 December 2007

Legal and administrative details

Charity number 274605

Company number 1332670

Principal office & registered office 751 Warwick Road, Solihull, West Midlands, B91 3DQ

Auditors	Pricewaterhouse Coopers LLP	Donington Court, Pegasus Business Park, Castle Donington, East Midlands, DE74 2UZ
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Bankers	HSBC	34 Poplar Road, Solihull, West Midlands, B91 3AF
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	Bank of America	26 Elmfield Road, Bromley, Kent, BR1 1WA
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Solicitors	Devonshires Solicitors	Salisbury House, London Wall, London, EC2M 5QY
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Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees

The trustees serving during the year and since the year-end were as follows

Terry Joe Spallino	Resigned 18 August 2008
Clive Richard Jolliffe	Resigned 18 August 2008
Gregg Reeves	Appointed 18 August 2008
Rainer Wiborny	Appointed 18 August 2008
Robert John Mulligan	

Area Physical Facilities Manager

Gregg Reeves

Area Welfare Specialists

Elder & Sister Grffiths

Structure, Governance and Management

Governing document

The Church of Jesus Christ of Latter-day Saints (Welfare) Limited is a limited company and a registered charity. The charity is governed by its Memorandum and Articles of Association.

Appointment of trustees

As set out in the Articles of Association, new or additional trustees are to be appointed by the shareholder (Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints), providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

The shareholder will also determine the rotation and time in which trustees are to retire. Currently no term is fixed to the term served. Trustees shall not be less than two or more than seven in number.

The shareholder may, from time to time, vary the minimum or maximum number of trustees.

Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

During the induction day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires Solicitors.

Organisation

The parent organisation of the charity, The Church of Jesus Christ of Latter-day Saints, is directed by the First Presidency supported by The Quorum of the Twelve Apostles and various quorums of the Seventy. Members of these quorums are called General or Area Authorities, three of whom will be called to serve as an Area Presidency.

There are a number of Area Presidencies called to administer the affairs of the church on a day-to-day basis throughout the world. One of these Area Presidencies is based in England and has responsibility for Great Britain & Ireland among other countries in Western Europe.

The board of trustees, which can have up to 7 members, administers the charity. The board meets at least twice a year. Reports are received in or around each October for the following financial year from the heads of each department for approval by the Trustees. In or around March each year each department gives a report on the previous year.

The trustees monitor progress throughout the year and other trustees meetings are held as and when required.

The Area Physical Facilities Manager is the person who has the primary responsibility for the construction of new church buildings in the UK and Ireland. He ensures that any new church buildings projects are carried out properly and meet the requirements of the charity.

The Area Welfare Specialists take primary responsibility for training and guiding members of the church (and non-members where the opportunity presents itself) regarding self reliance principles and in addition they counsel church leaders how best to cater for the needs of the poor and needy.

Employees

The charity has the policy of ensuring that its employees are those that are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways

- Applications for new positions in the charity are invited from anyone with the relevant qualifications. The key emphasis is on their ability to meet the requirements of the position although the application form does request the applicant to mention if they have any illnesses or medical condition which the employer would need to be aware of in order to make reasonable adjustments should they be successful
- The charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of the charity
- In addition to the above points the charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long term disability benefits from the charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. On training and career development issues, there is no distinction made between disabled and non-disabled employees. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee

Related parties

The charity has a close relationship with its sister charity The Church of Jesus Christ of Latter-day Saints (Great Britain). There is regular co-operation between the charities

Principal risk and uncertainties

Financial risk and management

The following statements summarise the charity's policy in managing identified forms of financial risk

- Price risk – Salary costs are communicated to staff during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices
- Credit risk – Credit risk on amounts owed to the charity by its customers is low as the majority of its debtors have been contracted with frequently by the charity in the past and have a proven reliability
- Liquidity risk – The charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company
- Interest rate cash flow risk – The charity is able to place surplus funds on short term deposit with the company's bankers

The trustees have a general risk management strategy which comprises

- an annual review of the risks the charity may face,
- the establishment of systems and procedures to mitigate those risks identified in the plan, and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

Objectives and activities

We have the general aim of assisting The Church of Jesus Christ of Latter-day Saints to grow its membership and to provide facilities for them and to reach out and work with and provide service to the wider community. We assist members of the Church and others in need of religious assistance or in conditions of need, hardship, sickness or distress.

The object of the charity is

- to promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the United Kingdom or elsewhere and to assist members and other persons who are in conditions of need, hardship, sickness and distress, to all ages and denominations

To achieve the above the charity

- acquires land and builds purpose built meetinghouses, for The Church of Jesus Christ of Latter-day Saints (Great Britain), in which members of the Church and members of the public can meet together for religious worship and instruction
- teaches members, and non-members where possible, welfare and self reliance principles to ensure that each person is able to have the necessary plans in place to react under emergency situations to provide for themselves and their families in times of hardship

Achievements and performance

The achievements of the charity for the year were as follows

Construction of new buildings - We have an active program for locating and developing new sites, as needed, to accommodate the expanding Church membership. We follow agreed procedural guidelines prior to engaging in any new building project. We consider the needs of the members in any particular area to ensure that a new building is genuinely required.

One new meetinghouse was built in 2007

Encourage welfare principles – Wheat sales were provided to members during the year to the total of £11,000 and members were encouraged on its use in preparing food storage. Leaders of the Church were given counsel and direction in how to best cater for the needs of the poor and the needy. The responsibility for this work was undertaken by volunteers. In addition these volunteers provided training in areas such as spiritual, emotional & social strength, physical health, education & literacy, resource & debt management and employment.

The achievements of the subsidiaries for the year were as follows

Each of the subsidiaries' principal activity continued to be that of arable farming and each company operates a policy of generating the highest profits feasible from efficient farming techniques that utilise the latest technology. Farmspeed (Southery Anchor) Limited and Hallsworth (Farmland trust) Limited ceased trading on 26 August 2007 and transferred their farming operations to the parent company, Agreserves Limited.

After taking into account the consolidation adjustments the net income/(loss) of the subsidiaries included in the Statement of Financial Activities was as follows

Agreserves Limited – (£687,000)

Farmspeed (Southery Anchor) Limited - £644,000

Hallsworth (Farmland Trust) Limited - £481,000

Financial review

Each year the trustees carry out a detailed review of each department of the charity. They review the previous year's achievements and review and approve the budgets for next year.

The end of the year saw an excellent financial result based on strong financial management. Costs were maintained within budget and were significantly reduced from £9,096,000 in 2006 to £6,793,000 in 2007, particularly due to increased emphasis on budgetary control.

Incoming resources saw a significant decrease from £51,621,000 in 2006 to £9,627,000 in 2007. This was primarily due to the direction by the parent company in 2006 to transfer all inter-company debt which had accumulated over many years to donation income within the company.

As a result the parent company donation was £41,674,000 for 2006. The balance for 2007 was only based on one year and amounted to £494,000. The other incoming resources were income from trading subsidiaries (£6,944,000), new construction (£1,006,000), investment income (£437,000) and other income (£746,000).

Incoming resources exceeded resources expended for the year by £2,834,000.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

The charity's objective is to maintain high liquidity while ensuring maximum security and achieving the highest possible return.

To achieve this objective, the charity invested £9.5 million in fixed-term deposit accounts with high security rating from periods of one week to one month and achieved an average rate of 5.42% gross during 2007.

Investment income is recognised on a receivable basis.

Reserves policy

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to bridge any funding gaps between spending and receiving resources through shareholder grants and member donations. In addition we maintain reserves that will help to provide for emergency situations as they arise. The trustees' policy is to hold, as a minimum, the equivalent of approximately 18 months' turnover in reserves.

The actual reserves at 31 December 2007 were £54,384,000 which is significantly above our target.

It is the trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

Plans for future periods

The goals for 2008 include plans to

- Implement General Welfare Committee Strategic Priorities
 - 1 Teach members the principles of fasting and fast offerings
 - 2 Teach leaders basic welfare doctrines and principles
 - 3 Help members find employment
 - 4 Encourage home production and storage of food
- Encourage Humanitarian Service in local communities
- Implement the International Welfare Strategy as applicable

In addition

We will continue to work with, and amend where necessary, the criteria for deciding when to build new buildings

- There are plans to commence construction on one new meetinghouse in 2008

Trustees' responsibilities in relation to the Annual Report and financial statements

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that period.

In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make sound judgements and estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The trustees confirm that they have complied with the above requirements in preparing the financial statements

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on disclosure of information to the auditors

In the case of each of the persons who are trustees at the time when the report is approved under section 234ZA the following applies

- So far as each trustee is aware, there is no relevant information of which the charity's auditors are unaware, and
- He has taken all steps that ought to have been taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

Auditors

PricewaterhouseCoopers LLP are to be re-appointed as auditors to the charity for the ensuing year

By order of the trustees


Gregg Reeves (Trustee)

24/9/2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

for the year ended 31 December 2007

We have audited the group and parent charity financial statements ("the financial statements") of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and Subsidiary Undertakings for the year ended 31 December 2007 which comprise the group and charity Statement of Financial Activities, the group and charity Balance Sheets, the group Cash Flow Statement, the accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The responsibilities of the trustees (who are also the directors of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and Subsidiary Undertakings for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

AUDITORS' REPORT TO THE MEMBERS OF
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

for the year ended 31 December 2007

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the group and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

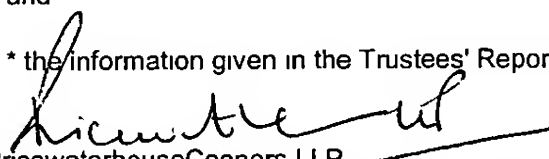
OPINION

In our opinion

- * the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 December 2007 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's income and expenditure and cash flows, for the year then ended,

- * the financial statements have been properly prepared in accordance with the Companies Act 1985, and

- * the information given in the Trustees' Report is consistent with the financial statements


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

24 / 9 / 08

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
for the year ended 31 December 2007

	Note	GROUP		COMPANY	
		Unrestricted Total funds 2007 £'000	Unrestricted Total funds 2006 £'000	Unrestricted Total funds 2007 £'000	Unrestricted Total funds 2006 £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donation from parent company		494	41,674	494	41,674
New construction		1,006	2,134	1,006	2,134
Income from trading subsidiaries		6,944	7,467	-	-
Profits covenanted from farm activities		-	-	762	577
Investment income					
Rental income		13	10	1,168	1,128
Interest receivable		424	284	424	284
		8,881	51,569	3,854	45,797
Other incoming resources					
Other operating income		11	37	11	37
Profit on disposal of tangible fixed assets	3	735	15	735	15
		746	52	746	52
Total incoming resources		9,627	51,621	4,600	45,849
Resources expended					
Expenses of trading subsidiaries		5,115	5,717	-	-
Charitable activities	2a	1,650	3,354	1,738	3,522
Governance costs	2d	28	25	28	25
Total resources expended		6,793	9,096	1,766	3,547
Net income for the year		2,834	42,525	2,834	42,302
Total funds brought forward		51,550	9,025	48,045	5,743
Total funds carried forward		54,384	51,550	50,879	48,045

None of the charity's activities were acquired or discontinued during the above two financial years

There is no difference between the results above and the unmodified historical cost equivalents for this period

The statement of financial activities includes all gains and losses recognised in the year

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

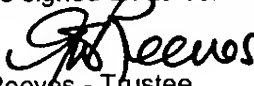
BALANCE SHEETS
As at 31 December 2007

		GROUP		COMPANY	
	Notes	2007 £'000	2006 £'000	2007 £'000	2006 £'000
FIXED ASSETS					
Tangible assets	6	49,235	49,093	46,898	46,628
Investments	7	5	5	4,100	4,100
		49,240	49,098	50,998	50,728
CURRENT ASSETS					
Stock	8	4,639	4,572	-	-
Debtors	9	2,467	2,544	4,876	4,520
Cash at bank and in hand		4,386	4,136	725	1,182
Investments	10	9,528	6,821	9,528	6,821
		21,020	18,073	15,129	12,523
CREDITORS					
Amounts falling due within one year	11	(1,150)	(895)	(522)	(480)
NET CURRENT ASSETS		19,870	17,178	14,607	12,043
TOTAL ASSETS LESS CURRENT LIABILITIES		69,110	66,276	65,605	62,771
CREDITORS					
Amounts falling due after more than one year	12	(4,726)	(4,726)	(4,726)	(4,726)
Net assets		64,384	61,550	60,879	58,045
CAPITAL AND RESERVES					
Unrestricted income funds					
Called up share capital	13	10,000	10,000	10,000	10,000
Unrestricted funds	14	54,384	51,550	50,879	48,045
Total charity funds		64,384	61,550	60,879	58,045

The restatement above was related to the reclassification of reserves to separately recognise the capital redemption reserve in the unrestricted funds

The notes on pages 12 to 25 form part of these accounts

The financial statements on pages 7 to 25 were approved by the board of directors on 24 September 2008 and were signed on its behalf by


G Reeves - Trustee
24/9/2008

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating surplus	16a	2,166	42,088
Depreciation		959	972
Profit on disposal of fixed assets		(760)	(15)
(Increase)/Decrease in stocks		(67)	226
Decrease in debtors		77	357
Decrease in creditors		255	(64)
Profit on disposal of investments		(8)	-
Net cash inflow from operating activities		2,622	43,564
CASH FLOW STATEMENT		2007 £'000	2006 £'000
Net cash inflow from continuing operating activities		2,622	43,564
Tax		-	(60)
Returns on investments and servicing of finance	16a	668	437
Capital expenditure and financial investment	16a	(333)	(2,349)
Management of liquid resources		(2,707)	(6,821)
CASH FLOW BEFORE FINANCING		250	34,771
Financing (Repaid to)/Received from parent company		-	(40,693)
INCREASE/(DECREASE) IN CASH IN THE YEAR		250	(5,922)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (note 18b)		2007 £'000	2006 £'000
Increase/(Decrease) in cash in the period		250	(5,922)
Change in net debt not resulting from cash flows		-	40,693
MOVEMENT IN NET DEBT IN THE YEAR		250	34,771
NET DEBT AT 1 JANUARY 2007		(590)	(35,361)
NET DEBT AT 31 DECEMBER 2007	16b	(340)	(590)

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities 2005. A summary of the significant accounting policies which have been applied consistently is set out below.

BASIS OF ACCOUNTING

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and all of its subsidiary undertakings for the year. All financial statements are made up to 31 December 2007. The consolidation has been prepared using the line by line method of accounting.

FRS 18

The trustees have reviewed the accounting policies and confirmed that they are the most applicable.

INCOMING RESOURCES

All incoming resources are included in the Statement of Financial Activities (SOFA) when the organisation is legally entitled to the income and the amount can be quantified with reasonable accuracy. Costs of constructing new buildings on behalf of The Church of Jesus Christ of Latter-day Saints (Great Britain) are recharged at each year end on the basis of total construction costs incurred to date. Rental income is recorded in accordance with the terms of the appropriate lease.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of the charity.

Governance costs incorporate those costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions. The costs relating to these activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. An analysis of these costs are disclosed in note 2.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual fixed assets costing £2,000 or more are capitalised at cost. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write down each asset to its estimated residual value over its expected useful life, as follows:

Farm houses	over 40 years
Farm buildings and amenities	over 10 to 40 years
Equipment, fixtures and fittings	over 5 to 10 years
Plant and machinery	over 5 to 10 years

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES (CONTINUED)

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any permanent diminution in value.

STOCKS

Stocks and cultivations are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Government subsidies are no longer included as part of the net realisable value of the crops as directed by the Rural Payments Agency.

Provision is made for obsolete and slow-moving items. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

FOREIGN CURRENCY TRANSLATIONS

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

DEFERRED TAXATION

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more or less taxation in future. An asset is recognised to the extent that the transfer of economic benefits in future is more likely than not. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities recognised are not discounted. This policy applies equally to subsidiary undertakings.

PENSION COSTS

The company is party to a defined benefit scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans (see note 17). The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of contributions made during the year or accrued at the year-end (i.e. on a defined contribution basis), as required by Financial Reporting Standard 17 "Retirement Benefits" in circumstances where the company cannot identify with any degree of accuracy its share of the scheme assets and liabilities. The company provides no other past retirement benefits to its employees.

Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain).

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES (CONTINUED)

PARENT COMPANY DONATIONS AND CAPITAL CONTRIBUTIONS

Donations by the company's parent undertakings to fund certain aspects of the company's excess of expenditure over income are included within incoming resources in the year to which they relate

Capital contributions by the company's parent undertakings to provide funding are treated as an exceptional item in the statement of financial activities in the year in which they arise

AREA AID INCOME

Area aid income is recognised in the Statement of Financial Activities when the underlying crops are sold
Set-aside income is recognised on a receivable basis wherever practicable else on a receipts basis

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the trustees in accordance with the general objectives of the company and which have not been designated for other purposes

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes

Further explanation of the nature and purpose of each fund is included in the notes to the accounts

LEASED ASSETS

Where assets are financed by leasing agreements that give rights approximating the ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements using the annuity method. Depreciation on the relevant assets and interest are charged to the Statement of Financial Activities. All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1a NET INCOME OF TRADING ACTIVITIES OF SUBSIDIARIES

The charity has three subsidiaries which are incorporated in England and Wales. All subsidiaries operated farming activities up to the 26th August 2007. On the 26th August 2007 the farming operations of Farmspeed (Southery Anchor) Limited and Hallsworth (Farmland Trust) Limited transferred to AgReserves Limited. Audited accounts prepared for the year ended 31 December 2007 have been filed with the Registrar of Companies and show the following results

	Farmspeed (Southery Anchor) Limited £'000	Hallsworth (Farmland Trust) Limited £'000	AgReserves Limited £'000	2007 Total £'000	2006 Total £'000
Turnover	1,852	2,018	2,893	6,763	7,300
Cost of sales	(856)	(1,112)	(1,120)	(3,088)	(3,289)
Gross surplus	996	906	1,773	3,675	4,011
Operating expenses	(641)	(852)	(3,079)	(4,572)	(3,546)
Other operating income	-	-	-	-	95
Operating surplus	355	54	(1,306)	(897)	560
Profit on disposal of tangible fixed assets	-	-	25	25	28
Interest receivable	-	-	244	244	153
Charitable payments	(355)	(54)	(354)	(763)	(577)
Taxation	-	-	-	-	59
Net income/(expenditure) for the year per accounts	-	-	(1,391)	(1,391)	223
Consolidation adjustments eliminated					
Rent payable to parent undertaking	289	427	438	1,154	1,118
Charitable payments to parent undertaking	355	54	354	763	577
Management fees receivable from parent undertaking	-	-	(88)	(88)	(168)
Reverse investment write off	-	-	1,391	1,391	-
Net income of trading subsidiaries Included in the Statement of Financial Activities	644	481	(687)	1,829	1,750

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1b ASSETS AND LIABILITIES OF SUBSIDIARIES

	2007 £'000	2006 £'000
Aggregate assets	17,529	12,816
Aggregate liabilities	(9,924)	(5,211)
Net assets	7,605	7,605

2a ANALYSIS OF CHARITABLE ACTIVITIES

	GROUP		COMPANY	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Cost of construction	1,622	3,345	1,710	3,513
Welfare provision	28	9	28	9
	1,650	3,354	1,738	3,522

2b CHARITABLE ACTIVITIES ALLOCATION

Activity	Activities Undertaken Directly £'000	Support Costs £'000	Total £'000
Construction of church buildings	1,006	704	1,710
Welfare provision	25	3	28
Total	1,031	707	1,738

2c SUPPORT COSTS ALLOCATION

Support cost	Construction £'000	Welfare Provision £'000	Basis of Allocation
Depreciation and amortisation	280	-	Usage
Physical facilities	254	2	Usage
Operating costs	170	1	Usage
Total	704	3	

The basis of allocation was determined by the actual usage in each of the cost categories which was attributable to that particular activity

2d GOVERNANCE COSTS

	2007 £'000	2006 £'000
Audit	15	12
Accounting	10	11
Tax consultancy	3	2
	28	25

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3 NET INCOME FOR THE YEAR

	2007 £'000	2006 £'000
Net income is stated after charging		
Depreciation		
- owned assets	280	260
Profit on disposal of tangible fixed assets	735	15
Auditors' remuneration - audit services	15	12
Auditors' remuneration - other services	3	2

Auditors' remuneration in relation to other services relates to tax advice given to the company

4 EMPLOYEES

	2007 No	2006 No.
The average weekly number of persons (including directors) employed by the group during the year was	29	37
	2007 £'000	2006 £'000
Staff costs for the above persons		
Wages and salaries	861	1,006
Social security costs	72	80
Other pension costs	111	107
	1,044	1,193

For the year ended 31 December 2007 the number of employees whose emoluments fell within the following bands are as follows

	2007 No.	2006 No.
£70,000 - £80,000	1	1
£60,000 - £70,000	1	-

The number of employees whose emoluments were above £60,000 and who had benefits accruing under the defined benefit scheme were as follows

	2007 No.	2006 No.
£70,000 - £80,000	1	1
£60,000 - £70,000	1	-

The total pension contributions for the year made for these staff was £20,822

Subsidiary director's remuneration

	2007 £'000	2006 £'000
Emoluments	92	107
Company pension contributions to defined benefit pension schemes	14	12

During the year retirement benefits were accruing to one director in respect of defined benefit pension schemes

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for the year ended 31 December 2007**

5 TAXATION

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of the charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes

6 TANGIBLE FIXED ASSETS

GROUP

	Freehold Land £'000	Plant and. Machinery £'000	Farms £'000	Total £'000
Cost				
1st January 2007	7,110	6,257	41,469	54,836
Additions	-	987	663	1,650
Disposals	-	(1,377)	(165)	(1,542)
31st December 2007	7,110	5,867	41,967	54,944
Depreciation				
1st January 2007	-	3,791	1,951	5,742
Charge for year	-	679	280	959
Disposals	-	(940)	(52)	(992)
31st December 2007	-	3,530	2,179	5,709
Net book value				
31st December 2007	7,110	2,337	39,788	49,235
31st December 2006	7,110	2,466	39,518	49,094

A detailed analysis of farms is shown on page 20

All of the tangible fixed assets are used to generate income for charitable purposes

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6 TANGIBLE FIXED ASSETS (continued)

COMPANY

	Freehold land £'000	Farms £'000	Total £'000
Cost			
1st January 2007	7,110	41,469	48,579
Additions	-	663	663
Disposals	-	(165)	(165)
31st December 2007	7,110	41,967	49,077
Depreciation			
1st January 2007	-	1,951	1,951
Charge for year	-	280	280
Disposals	-	(52)	(52)
31st December 2007	-	2,179	2,179
Net book value			
31st December 2007	7,110	39,788	46,898
31st December 2006	7,110	39,518	46,628

A detailed analysis of the farms category is shown on page 20

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

6 TANGIBLE FIXED ASSETS (continued)

COMPANY

Included within farms are

	Freehold land £'000	Farm houses £'000	Assets in course of construction £'000	Farm buildings and amenities £'000	Equipment, fixtures & fittings £'000	Total £'000
Cost						
1st January 2007	32,140	3,975	-	5,271	83	41,469
Additions	440	24	41	158	-	663
Disposals	-	(165)	-	-	-	(165)
31st December 2007	32,580	3,834	41	5,429	83	41,967
Depreciation						
1st January 2007	-	931	-	965	55	1,951
Charge for year	-	99	-	177	4	280
Disposals	-	(52)	-	-	-	(52)
31st December 2007	-	978	-	1,142	59	2,179
Net book value						
31st December 2007	32,580	2,856	41	4,287	24	39,788
31st December 2006	32,140	3,044	-	4,306	28	39,518

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7 FIXED ASSET INVESTMENTS - GROUP

	Listed £'000	Total £'000
Cost		
1 January 2007 and 31 December 2007	5	5
Net book value		
At 1 January 2007 and 31 December 2007	5	5

The market value of listed investments, which are included above at cost of £5,000, as at 31 December 2007 was £30,176 (2006 £22,795)

COMPANY

	Investment in Subsidiary Undertakings £'000
1 January 2007	4,100
31 December 2007	4,100

The company holds more than 10% of the share capital of the following undertakings

Name	Country of incorporation	Class of holding	Proportion directly held	Nature of business
AgReserves Limited	England	Ordinary	100%	Farming
Indirect holdings				
Hallsworth (Farmland Trust) Limited	England	Ordinary	100%	Farming
Farmspeed (Southery Anchor) Limited	England	Ordinary	100%	Farming

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8 STOCKS	GROUP		COMPANY	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Cultivations	2,104	1,806	-	-
Harvested crops	2,535	2,766	-	-
	4,639	4,572	-	-
9 DEBTORS	GROUP		COMPANY	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Due within one year				
Trade debtors	1,968	2,130	-	-
Other debtors	499	414	139	193
Amounts owed by group undertakings	-	-	4,737	4,327
	2,467	2,544	4,876	4,520
10 INVESTMENTS				
All investment income arises from interest bearing deposit accounts. These are short term high interest accounts.				
	GROUP		COMPANY	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Fixed term deposit accounts	9,528	6,821	9,528	6,821
11 CREDITORS Amounts falling due within one year	GROUP		COMPANY	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Trade creditors	563	332	-	-
Other creditors	174	549	109	466
Accruals	413	14	413	14
	1,150	895	522	480

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NOTES TO THE FINANCIAL STATEMENTS
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12 CREDITORS Amounts falling due in more than one year

	GROUP		COMPANY	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Loan from holding company	4,726	4,726	4,726	4,726

The loan from the holding company is a loan from the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints which is subordinated to the claims of all other creditors. The loan is interest free and there are no fixed repayment terms.

13 SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised 25 million ordinary shares of £1 each	25,000	25,000
Allotted, issued and fully paid	10,000	10,000

14 TOTAL CHARITY FUNDS

	GROUP		COMPANY	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Balance at 1 January 2007	51,550	9,025	48,045	5,743
Net surplus for the year	2,834	42,525	2,834	42,302
Balance at 31 December 2007	54,384	51,550	50,879	48,045

15 RECONCILIATION OF MOVEMENT IN CHARITY FUNDS

	2007 £'000	2006 £'000
Surplus for the financial year	2,834	42,525
Opening charity funds	51,550	9,025
Closing charity funds	54,384	51,550

Charity funds are entirely attributable to equity interests

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NOTES TO THE FINANCIAL STATEMENTS
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16 NOTES TO THE CASH FLOW STATEMENT

A Analysis of cash flows	2007 £'000	2006 £'000	
Reconciliation of net movement in funds to operating surplus			
Net movement in funds	2,834	42,525	
Interest received	(668)	(437)	
Operating surplus	<u>2,166</u>	<u>42,088</u>	
Returns on investments and servicing of finance	2007 £'000	2006 £'000	
Interest received	668	437	
	<u>668</u>	<u>437</u>	
Capital expenditure and fixed asset investment	2007 £'000	2006 £'000	
Purchase of tangible fixed assets	(1,650)	(2,459)	
Proceeds from sale of tangible fixed assets	1,309	110	
Proceeds from sale of investments	8	-	
	<u>(333)</u>	<u>(2,349)</u>	
Management of liquid resources	2007 £'000	2006 £'000	
Fixed term deposits	<u>(2,707)</u>	<u>(6,821)</u>	
B Analysis of changes in net (debt)/funds	1 January 2007 £'000	Cash Flows £'000	31 December 2007 £'000
Cash at bank and in hand	4,136	250	4,386
	<u>4,136</u>	<u>250</u>	<u>4,386</u>
Debt due after 1 year	(4,726)	-	(4,726)
Total	<u>(590)</u>	<u>250</u>	<u>(340)</u>

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17 PENSION AND OTHER POST EMPLOYMENT COMMITMENTS

The company participates in a pension scheme operated by the Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The company has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members. Contributions to the scheme for the year were £110,532 (2006 £107,339).

18 RELATED PARTY TRANSACTIONS AND ULTIMATE HOLDING COMPANY

The company is owned solely by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, a company incorporated in the state of Utah, United States of America.

Details of the loan account with the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints are included in note 12. Assurances of continued financial support have been received from the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints.

During the year the company contracted with another fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (Great Britain) to carry out construction of church buildings on its behalf. The value of this work in the year was £1,006,000 (2006 £2,134,000).

19 FINANCIAL COMMITMENTS

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2007	2006
	£	£
Operating lease	<u>10,025</u>	<u>21,525</u>